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ABSTRACT

This report analyzes the pricing policy of the Government Printing Office (GPO) for publications sold to the public. It discusses the sharp rise in prices for GPO sales publications from November 1972 through 1975. This is a detailed report which expands on the summary report prepared by the author as chairman of the Pricing Subcommittee, GPO Users Survey. This survey was conducted in April 1976 by the Committee on Information Hangups (Washington, D.C.) and sponsored by the Government Information Services Committee, Special Libraries Association. The report also discusses related topics of federal policy on user charges, dichotomy of free and sales publications, and role of the issuing agencies and the Government Printing Office in publications management. (Author)

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PRICING OF GPO SALES PUBLICATIONS

by

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U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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by
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Prepared for
GPO Users Survey

Conducted by
Committee on Information Hangups (Washington, D.C.)

Sponsored by
Government Information Services Committee
Special Libraries Association

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I INTRODUCTION

Much of the research for this report was acomplished in my capacity as Chairman, Subcommittee on Pricing, GPO Users Survey conducted by the Committee on Information Hangups. The Committee includes a group of librarians in the Washington, D.C. area who are concerned about hangups in obtaining and using government information. The Committee usually holds regular bimonthly meetings throughout the year to discuss various information problems. Visits may be scheduled to local government installations and libraries, and responsible government officials are frequently invited to present their views or participate in the discussions.

The Committee may also undertake research projects or investigations. An analysis of National Technical Information Service (NTIS) policies resulted in publication of the report, Distinction is All:NTIS from a Technical Librarians Point-of-View, 1971 (available from EDRS as ED 058913). In 1974 the Committee investigated the services provided by the Defense Documentation Center, and reported the results in Especially DDC:Users Look at the DoD Information Transfer Process, January 1975 (available from NTIS as AD A005 400)

In the fall of 1975 the Committee undertook a project to investigate the services provided by the Government Printing Office. Subcommittees were organized on Customer Service, Serials and Subscriptions, Monthly Catalog and Bibliographic Control, Congressional Materials, and Pricing. The major effort of these subcommittees was to design a questionnaire covering these topics which was mailed on April 23, 1976 to a representative sample of over 700 librarians who acquire and use GPO publications in all types of libraries. Statistical samples were taken from the mailing lists of the Special Libraries Association, Government Documents Round Table, and American Association of Law Libraries to select the addressees. The results of the survey were tabulated by computer, and included a number of cross tabulations of related questions. The results were analyzed, and together with other research became the basis of summary reports prepared by each subcommittee. A consolidated final summary report will be published in Special Libraries. The project was supported and financed by the Special Libraries Association. In charge of the Survey was Mary L. Knobbe, who is Chairman of the SLA Government Information Services Committee. Mrs. Knobbe is the librarian, Metropolitan Washington Council of Governments, and an active member of the Committee on Information Hangups.

In this report I expand on the section on GPO Pricing which I prepared for the Committee's consolidated summary report. It provides more background information, and discusses the topic in greater detail than was possible in the summary report. It also discusses related topics which were not mentioned in the Committee report. While the findings and conclusions in this report are necessarily similar to those in the Committee's summary report since they are based on the same research, this report is published independently and has not received official Committee or SLA endorsement.

Prior to my research effort on behalf of the Committee on Information Hangups, I had become concerned about the sharp rise in GPO prices as a practicing documents librarian and as an officer of the Federal Documents Task Force, Government Documents Round Table, American Library Association. I had prepared a critical analysis of the Comptroller General's Report to the Joint Committee on Printing, "Pricing of Publications Sold to the Public, Government Printing Office (B-114 829)" dated November 19, 1974, which was published in Documents to the People, the newsletter of the Government Documents Round Table (vol. 3, no. 7, September 1975, pp. 25-30). It was apparently because of this article that I was asked to chair the Subcommittee on Pricing of the GPO Users Survey.

There has been a sharp rise in prices for GPO sales publications since October 1972 which has greatly exceeded recent double-digit inflation as measured by the Consumer Price Index. This sharp rise in prices has had an adverse effect on the ability of libraries and other users to purchase government documents. There is no apparent disagreement on this analysis of the situation.

However, there is cause for honest disagreement about certain factors related directly and indirectly to pricing policy for GPO sales publications. These factors include, but are not limited to the following: interpretation of section 1708, Title 44, U.S. Code which is the current law regarding pricing of GPO sales publications; concept of "user charges" as applied to government publications; dichotomy of free publications to some individuals and groups, and sales publications for others; subsidizing individual publications, or groups of publications and expecting others to be "self-sustaining"; amount of management control that issuing/publishing agencies should exercise over the printing and sale of their publications by GPO; concept of a legislative branch agency exercising control of the majority of government printing which is originated by the executive branch; and comparison of GPO printing and subscription fulfillment costs with those of private industry.

Questions 16, 17, and 18 of the Committee on Information Hangups' GPO Users Survey were devoted to questions of GPO pricing policy in the following areas: impact of recent sharp rise in publication prices; comparison of GPO prices with comparable commercial publications; and opinion of librarians on a proper pricing policy for GPO sales publications. This report will discuss and analyze the results of the Survey questionnaire. It will also provide historical background, discuss the current situation, and analyze the controversial factors mentioned above.

Following the mailing of the questionnaire in April 1976, the Joint Committee on Printing obtained an appropriation of $300,000 in the Second Supplemental Appropriation Bill for FY 1976 (P.L. 94-303) to contract an outside consultant "to complete a comprehensive management review and analysis of the Government Printing Office's organization, policies, systems and processes". I hope that the consultant will make a thorough investigation of the controversial factors mentioned above.

II. Question 16: Impact of Sharp Rise in GPO Prices

On Question 16A of the GPO Users Survey librarians were asked if they perceived a sharp rise in prices for GPO sales publications since 1972. Out of 218 respondents, 199 (or 91.3%) replied "yes" and 19 (or 8.7%) replied "no". This result was not suprising.

Question 16B asked how the GPO price increase affected the library's purchase of publications from GPO on an annual basis compared with the pre-1972 period. Did it reduce the number of publications purchased, and if so how much within the ranges shown in the summary below? How much more did it spend for the same number of publications? A summary of the responses is shown below:

RESULT	HOW MUCH				
	0-5%	6-25%	26-50%	over 50%	Total
Reduced number of publications bought	23	28	8	9	68
Increased expenditures for the same number of publications	12	21	27	47	107
Other	3	-	-	3	6

In July 1975 the Federal Statistics Users Conference conducted a "Survey Regarding the Timeliness of Federal Statistics" which included a question similar to Question 16. Their Question 8, "Has the increase in prices of government publications meant a reduction in the flow of statistics available to you?" obtained the following response: "yes" - 48 (or 41.7%), and "no" - 67 (or 58.3%). In addition, 54 respondents also indicated specific action they had taken as a result of the price increases: (1) reduced the number of subscriptions or purchases - 38 (or 70.4%); (2) discontinued certain subscriptions or purchases - 35 (Or 64.8%); and/or (3) increased the size of their publications budget - 18 (or 33.3%).

Question 16C asked those librarians who reduced the number of publications purchased whether they are attempting to obtain these publications from other sources. The summary response was "yes" - 46 (or 38.7%) and "no" - 73 (or 61.3%).

Although a large majority of librarians had perceived a sharp rise in prices since 1972, they had barely reduced the number of publications which they purchase from GPO. Most of the answers (75%) fell within the range of 25% reduction or less in the number of purchases, with 34% within the range of 5% or less. This is probably due to the fact that there are usually no suitable substitutes which provide the unique, authoritative information available in government publications. Most librarians who reduced the number of publications purchased from GPO reported that they are not attempting to obtain them from other sources. They may not be aware of the paradoxial situation in which many publications which are sold by GPO are also available free from the issuing/publishing agencies (but on a "first-come-first-served" basis). Other sales publications may be available in a microform edition from a commercial publisher at a lower price than the hard copy edition sold by GPO.

III. History of GPO Price Rise

In November 1972 the Public Printer authorized an interim across-the-board increase in the sales price for GPO publications of over 70%. This was the first general rise in prices since 1968. The price increase was authorized to get the sales program back on a "self-sustaining" basis. The controversy of interpretation of pricing policy prescribed by section 1708, Title 44, U.S. Code (i.e. "cost as determined by the Public Printer plus 50 percent") will be analyzed in detail below. Suffice to say at this point that the GPO interpretation of section 1708 is that the sales program should be "self-sustaining". After many years of producing a net income of over 25%, the sales program went into a deficit situation in FY 1972 primarily as a result of increased charges for postal services from $2 million in FY 1971 to $15 million in FY 1972. The advent of double-digit inflation in the early 1970's also resulted in sizeable increases in costs for labor and materials.

The interim across-the-board price increases of 1972 were replaced by a revised pricing formula in August 1973, which will be discussed in detail below. The new pricing formula resulted in price increases of about the same general range as those introduced in 1972 and were reported by GPO to average 73% overall. From January to July 1973, GPO assigned dual prices to many publications: a reduced price for copies sold over-the-counter in GPO bookstores, and a higher price for mail orders. This policy was discontinued in March 1974 because it was determined that "it costs as much to distribute documents through a bookstore as through the mail. In addition, dual pricing resulted in less revenue, administrative problems, increased errors in order processing, and customer complaints". All publications were repriced at the mail order price. In October 1974, a price increase reported by GPO to average 10-20% was approved. Another price increase of about 20% was authorized by the Public Printer in 1975.

The sharp rise in prices generated a number of complaints from librarians and other users. The Washington Office of the American Library Association sent letters to the House and Senate Subcommittees on Legislative Branch Appropriations. They will be found as follows: House hearings on Appropriations for FY 1975 (pp. 928-29), for FY 1977 (pp. 1223-1225); and Senate hearings on Appropriations for FY 1975 (pp. [illegible]); for FY 1976 (pp. 1182-1183); and for FY 1977 (pp. 641-642). The Federal Editors Association passed a resolution on August 4, 1975 which stated that "the periodical price increases literally have priced many of our publications out of the market. ... As a result, our ability to inform the public about Government programs and to make economic data available to the public clearly has been impeded". The Federal Statistics Users Conference prepared a "market basket" of 41 significant statistical publications to illustrate the sharp rise in prices. This provided background for various newspaper articles and is discussed below.

A number of librarians also sent complaints about the price increases to the Joint Committee on Printing. This prompted the JCP Chairman on February 13, 1974 to request the Comptroller General to review GPO's pricing of publications to determine two things: "Did the increases embrace the same financial philosophy which had prevailed in the past?

Did the increases change the relationship between the pricing structure and the annual appropriation by Congress?" The Comptroller General's Report to the Chairman, Joint Committee on Printing, "Pricing of Publications Sold to the Public, Government Printing Office" (B-114029) was submitted on November 19, 1974 but was not released to the public until February 1975. It will be referred frequently throughout this report as the "GAO Report of November 19, 1974".

These complaints from librarians and other users resulted in various articles in the Washington newspapers, and national journals. A headline on a Washington Post column of November 9, 1973 announced that "Magazine prices may jump 200%". A headline on a Washington Post story of March 20, 1975 announced that "GPO Prices Soar", and the lead paragraph provided as an example the best-selling pamphlet Infant Care which sold for 20 cents from 1963 to 1972, for 75 cents in 1973, and for $1.05 in 1974, "a 500 percent price jump in just over two years". An article in the Washington Star on June 18, 1975 had the following headline: "The Government Still Prints It, But It'll Cost You More to Get It, GPO's customers are outraged at sprialing prices". The lead paragraph of this story featured a rise in price of 437% for the Survey of Current Business since 1972, and a rise in price of 937% for the Daily Statement of the Treasury. There are many other horrible examples which might be cited from such articles.

However, to provide a balanced view, several representative compilations and price indexes will be provided: a "market basket" of significant statistical publications prepared by the Federal Statistics Users Conference; the Bowker Price Index for U.S. Documents Services; and a "price-per-page" compilation prepared by the Subcommittee on Pricing.

The Federal Statistics Users Conference gathered a "market-basket" of 41 significant statistical publications and prepared a chart of "GPO Prices for Federal Government Periodicals and Subscriptions Services of Interest to Statistics Users". (see Appendix A) This chart includes the price for representative titles for the years 1972 through 1975. It also lists annual percent price increases for the years 1972-73, 1973-74, and 1974-75, plus a percent increase for the three year period. The price increase for all titles from 1972 to 1975 was 279%. The annual price increases were as follows: 1972-73 (97%); 1973-74 (42%); and 1974-1975 (35%). These increases are higher than those reported by the Public Printer in the annual hearings on Legislative Branch Appropriations: i.e. 1972-73 (73%); 1973-74 (10-20%); and 1974-75 (20%).

R.R. Bowker Company, publisher of Library Journal and Publishers Weekly reports in its journals and the Bowker Annual of Library and Book Trade Information various price indexes for books, periodicals, serial services, and other publications. Its price index to "U.S. Documents Services" for 1975 includes 188 representative titles of all types of U.S. government periodicals, subscription services, and publications in series. The base year for this and other Bowker indexes is 1967-69, and it stood as follows for the three year period 1972 to 1975: 1972 - 154.7; 1973 - 184.6; 1974 - 239.3; and 1975 - 291.1. This translates into an increase of 88.2% for the three year period. The annual increases were as follows: 1972-73 (19.3%); 1973-74 (29.6%); and 1974-75 (21.6%).

By way of comparison the Consumer Price Index with a base year of 1967 reported the following: 1972 - 125.3; 1973 - 133.1; 1974 - 147.7; and 1975 - 161.2. This translates into an increase of 28.7% for the three year period, with annual increases as follows: 1972-73 (6.2%); 1973-74 (11%), and 1974-75 (9.1%).

Some government serial titles have increased in size over the years, so it may not be fair to compare present price directly against earlier prices. I have therefore selected 15 representative annual publications in four different categories (cloth bound 6x9", regular paperback 6x9", folio paperback 8x10½" and 9x11", and glossy oversize) and obtained the cost per volume, and the cost per page from 1967 to 1976, where available. This data is presented on Appendixes B and C. The average price increase per volume for the years 1967 to 1972 was 44%, and the increase in cost per page was 47%. The average price increase per volume for the three year period 1972 to 1975 was 120% while the increase in cost per page was 76%. During this period the number of pages in the following annual publications varied very little; Yearbook of Agriculture, Statistical Abstract, Economic Report of the President, and the Appendix to the Budget of the United States Government. The number of pages in Uniform Crime Reports increased from 192 pages in 1967 to 304 pages in 1975, and the Annual Report of the Council on Environmental Quality from 352 pages in 1970 to 800 pages in 1975. Data are presented for date of publication, which in some cases may differ from the volume year.

The cost per page increase from 1972 to 1975 (76%) is lower than the across-the-board increases reported by GPO to the Appropriations Committees and considerably lower than those of the FSUC "market-basket" of statistical publications and the Bowker Index of U.S. Documents Services. The latter two were loaded with periodicals, most with frequency of monthly and many weekly. This illustrates that much of the price rise for periodicals was due to the increase in postage charges. For example, the subscription price for the monthly Survey of Current Business was raised from $9 (1972) to the current price of $40.30. This price includes the 12 monthly issues, plus the weekly supplement Business Statistics (52 issues per year). As part of the subscription, a National Income Issue was provided in January 1976. From July 1975 to June 1976 a total of 908 pages was provided which translates into an average cost per page of 5.319¢. The cost of a single copy is $3. The average number of pages per issue for the last 12 months has been 90 pages for an average cost per page of 3.333 cents. By comparison the average cost per page for a folio size paperback annual publication in 1975 was 1.243 cents.

The cost per page of pamphlet material also runs quite high, particularly with the minimum charge of 35 cents per publications. Thus, a typical ten page pamphlet must be priced at a minimum of 35 cents (and maybe higher) for a minimum cost per page of 3.5 cents. This is well above the average for regular and folio size paperbacks, and again reflects that postage charges are a major component of the GPO publication price.

IV. Question 17: Comparison of GPO and Commercial Prices

On Question 17 of the GPO Users Survey librarians were asked how they perceived the prices of GPO publications when compared with commercial publications in four categories. A summary of the response is shown below:

Category	GPO Prices Higher	Commercial Higher	About the Same	Total
Serials (regular & irregular)	29 (16.8%)	94 (54.7%)	49 (28.5%)	172
Monographs	9 (5.3%)	120 (70.2%)	42 (24.5%)	171
Pamphlets (less than 10 pages)	26 (16.2%)	78 (48.8%)	56 (35%)	160
Technical reports	15 (10.4%)	90 (62.5%)	39 (27.1%)	144
TOTALS:	79 (12.2%)	382 (59%)	186 (28.8%)	647

Despite the sharp rise in prices for GPO publications, librarians still consider them to be bargains when compared with similar commercial publications, The concensus for all four categories on the survey was: commercial prices higher - 59%; GPO prices higher - 12.2%; and about the same - 28.8%. As a general rule, GPO sales publications have an inherent pricing advantage except where such factors as mass production and advertising support are involved.

The pricing of GPO sales publications is governed by section 1708, Title 44, United States Code as follows:

> "The price at which additional copies of Government publications are offered for sale to the public by the Superintendent of Documents shall be based on the cost as determined by the Public Printer plus 50 percent". (emphasis added)

Although there may be disagreement on interpretation of the statement "cost as determined by the Public Printer", there appears to be general agreement on **significance** of the term "additional copies" as used in section 1708. This means that the price of GPO sales copies shall be based on the cost to the Public Printer for running off additional copies for sales purposes after the initial requirement from the issuing/publishing agency have been met. Thus, **many** of the costs inherent in printing commercial publications are not a factor in GPO sales publications. The issuing/publishing agency not only pays for the cost of preparing the publication for printing (i.e. research, writing, editing, composition, etc.) but it also pays the initial set-up costs for printing the publications (i.e. type-setting, proof reading, press make-ready, etc.). The basic printing and binding costs for GPO sales publications are therefore limited to costs to the Public Printer for running off additional copies. These are usually called "incremental" or "rider costs", because the Superintendent of Documents places a "rider order" for the additional copies to be printed from the initial set-up for the agency run. However, for many years the Superintendent of Documents has added a reprint factor

of 25% to the "rider costs" before adding the 50% mandatory surcharge when pricing sales publications. If the initial sales stock is depleted and the Superintendent of Documents wishes to obtain more sales copies, he may not be able to "ride" an agency paid printing set-up and will have to pay for the set-up costs.

Although GPO sales publications have inherent cost advantages of a partial subsidy for preparation and royalty costs, and for printing set-up costs, they are usually on subjects of limited interest and are produced in limited quantities. Indeed, most publications printed by GPO (in its own plant or on contract) for the issuing/publishing agencies are of such limited interest that the Superintendent of Documents does not exercise his option to request additional copies run off for sales purposes. Thus, printing and publishing of government publications do not enjoy the economies of mass production inherent in the "mass market paperback books". For example, GPO printed the transcripts of the Nixon tapes in a 1,308 page folio edition for $12.25. Two commercial publishers reset the transcripts in type and sold paperback versions of approximately 700 pages for $2.45 and $2.95 in May 1974. The average price for a "mass market paperback book" in 1975 was $1.46. The Bowker table of prices does not provide the average number of pages per title, or average cost per page. Assuming the average number of pages to be 300 for a mass market paperback book, this translates into an average cost per page of about 0.5 cents. Our sample of annual government publications shows the cost of a regular 6x9" paperback volume to be 0.865 cents per page.

Of the four categories of publications considered, GPO compared least favorably in the category of serials (regular and irregular) and pamphlets. The principal type of serial is the periodical. Had the category been limited to leading mass circulation magazines as Time and Newsweek, the comparison would have been less favorable for GPO. Such magazines not only enjoy the economies of mass production and circulation, but they are also subsidized by advertising. However, Sylvia Porter reported recently in her syndicated column that the "era of the cheap magazine in the U.S. is over". Time Magazine recently raised its newstand price to one dollar per copy, and its annual subscription to $26. The comparable prices in 1972 were 50 cents and $14, a rise of 86-100%. As for the reason, Porter cites several factors which have also caused the sharp rise in price for GPO sales publications: double digit inflation with rises in labor and material costs; and establishment of the United States Postal Service with increased postal rates and elimination of some subsidies. However, the main culprit for the rise in price for Time and similar magazines is reduction in advertising revenues, most of which have been lost to TV with little chance of recovery. One magazine editor stated that "with the growth of TV, the old formula -'add circulation at any cost, ads will pay for it' - changed". On another front, the Chronicle of Higher Education in its issue for November 17, 1975 reported that scholarly journals are also facing severe financial pressures due to rising costs. Major scholarly journals have been forced to omit many book reviews and articles which would have previously been published.

GPO prices compared most favorably with commercial publishers in the category of monographs. The results were as follows: commercial prices higher - 70.2%; GPO prices higher - 5.3%; and about the same-24.5%. In his testimony before the House Subcommittee on Legislative Branch Appropriations for FY 1977 (p. 434), the Public Printer (Mr. McCormick)

referred to the Bowker price indexes for 1975 which showed the average price of a hardcover trade-technical book at $16.19, and a trade and higher priced paperback book at $5.24. He did not provide the average price for a comparable GPO sales publication, but he did imply (correctly, I believe) that by comparison GPO prices are lower for similar publications. To carry the comparison further, the price indexes for 1972 and 1975 (all from a 1967-69 base of 100) were as follows: hardcover trade-technical books, 140.1 and 104.6 for an increase of 24.6%; trade and higher priced paperback books, 130.9 and 161.7 for an increase of 23.5%; and U.S. Documents Services, 154.7 and 291.1, for an increase of 88.2%. Thus, the rise in prices for U.S. government publications as measured by the Bowker indexes for 1972 to 1975 has been more than triple than those of commercial hard cover and paperback trade and technical books.

GPO prices also compared very favorably with commercial publishers in the category of technical reports. The results were as follows: commercial prices higher - 62.5%; GPO prices higher - 10.4%; and about the same - 27.1%. This is an area of limited, specialized interest for the commercial sector, so that it is unable to enjoy the economies of mass production and circulation. In this regard a comparison of GPO prices with those of the National Technical Information Service may be more appropriate. NTIS has adopted a pricing policy for hard copy technical reports based on the number of pages in multiples of 25. The minimum price for a publication of 25 pages or less is $3.50, or a minimum of 14 cents per page; for 75-100 pages, $5.00 or a minimum of 5 cents per page; for 175-200 pages, $7.50 or a minimum of 3.5 cents per page; for 275-300 pages, $9.25 or a nimumum of 3.1 cents per page; for 575-600 pages, $13.75 or a minimum of 2.3 cents per page. The price for a similar GPO 8x10½" paperback publication is 1.243 cents per page. Both agencies claim to operate on a "self-sustaining" basis. However, the comparison is somewhat unfair to NTIS because its publications are available indefinitely, are more specialized, and include all titles ever cataloged. GPO sells only those publications which it prints that have some sales potential, and GPO also frequently runs out of stock and may not reprint.

GPO prices compared least favorably with comparable commercial publications in the category of pamphlets of less than 10 pages. The day of the nickel and dime pamphlet on which GPO built its reputation for bargain prices is long gone. The minimum price for any GPO sales publication was raised to 25 cents in July 1973. About the time the Survey was mailed out in 1976, the minimum price for a single publication was raised to 35 cents, and a policy was established for one dollar minimum on mail orders. Many respondents may not have been aware of this change. However, many of these pamphlets are available free from the issuing/publishing agencies, a fact which is not known to many citizens. GPO itself distributes free pamphlets on behalf of the Consumer Information Center from its distribution facility in Pueblo, Colorado. The dichotomy of giving free pamphlets to some and selling them to others will be discussed below.

V. History of GPO Pricing Policy

The current law which established the pricing policy for GPO sales publications (44 U.S.C. 1708) is subject to different interpretation. It should be revised if only to provide clarification. While the Public Printer has asked for a "clear mandate" from Congress on how he should implement the law, he does not feel the law requires revision. However, other factors which have arisen since the law's last revision in 1932 require that it should be brought up to date with current economic realities and government information policies. These factors include, but are not limited to the following:

(a) Arbitrary way in which GPO has changed the pricing formula over the years, contrary to the legislative intent of the law.
(b) Policy on "user charges".
(c) Freedom of Information Act.
(d) Double digit inflation of the 1970's.
(e) Establishment of the independent United States Postal Service, and change in policy on postal subsidies.
(f) Dichotomy of free and sales publications, and the establishment of the Consumer Information Center.
(g) Need for input from issuing/publishing agencies on pricing policy.

There is general agreement that the term "additional copies" as used in section 1708 means that the price set by the Superintendent of Documents shall be limited to those costs incurred by the GPO for printing and binding the additional copies ("rider costs"), and for selling and distributing those additional copies. However, there is valid disagreement over the term "cost as determined by the Public Printer plus 50 percent".

Does the term "cost as determined by the Public Printer" include only the "printing and binding costs" which can be equated with the following other terms: "incremental costs" or "rider costs", and/or "cost of publications sold" or "cost of publications purchased for resale" (which are the terms used in the financial statement of the Sales Publications Program that is submitted annually to the House and Senate Subcommittees on Legislative Branch Appropriations)? It is my interpretation that the legislative intent of the originating legislation in 1932 is that "cost as determined by the Public Printer" refers to the "printing and binding costs" only, and the "plus 50 percent" provision was intended to provide for "distribution costs". I use the term "distribution costs" in its broad sense to include all other costs to GPO for the operation of the sales program: i.e. order fullfillment, inquiry service, advertising, warehousing, postage, administrative overhead, reprint factor, allowance for damaged or destroyed copies, etc.

However, the interpretation of the current Public Printer is that the term "cost as determined by the Public Printer" includes both the "printing and binding costs" and the "distribution costs". Mr. McCormick made the following prepared statement before the House Subcommittee on Legislative Branch Appropriations for FY 1976:

"Historically, the pricing philosophy for these publications has been that the total revenue from sales to the general public

should exceed the total sales program costs without regard to the method of financing. That is, the revenue should exceed the total of the cost of printing, binding, postage, and other publications costs which are financed from the proceeds of the sales of publications, as well as the distribution and other costs which are financed from appropriation funds. Some believe this philosophy has changed. This historical pricing philosophy has not changed and is still being followed and the fact was confirmed by a report issued by the General Accounting Office on November 19, 1974". (p. 693)

However, if the term "cost as determined by the Public Printer" includes all costs of the sales program (i.e. both "printing and binding costs" and "distribution costs") we must logically ask what is the purpose of the "plus 50 percent" provision? This leads to the conclusion that the sales program must not only be "self-sustaining", but that it is required by law to show a profit of 50 percent. This was the interpretation of Carper Buckley, the Superintendent of Documents from 1950 to 1970 as illustrated by the following exchange between Mr. Buckley and Chairman George W. Andrews, House Subcommittee on Legislative Branch Appropriations during hearings on appropriations for FY 1968: (p. 649)

"Mr. Andrews: What do your total sales run?
Mr. Buckley: 67 million copies last year, around $14,700,000 gross.
Mr. Andrews: On that you make this profit?
Mr. Buckley: $7,600,000.
Mr. Andrews: You make about a 50-percent profit.
Mr. Buckley: Yes.
Mr. Andrews: Some people would call it a hundred percent profit.
Mr. Buckley: We have to make the 50 percent since that is the markup required by law".

However, Mr. Buckley's nominal boss, James L. Harrison, the Public Printer from 1961 to 1970 had a different interpretation of the law. Although the present Public Printer has elevated the position of Superintendent of Documents to Assistant Public Printer level, the appropriations hearings indicate that the Superintendent of Documents previously had a greater degree of independence in conducting his operations and in establishing policy. Consider this exchange the following year during the House hearings on Legislative Branch Appropriations for FY 1969: (pp. 173-4)

"Mr. Andrews: Under the law you are supposed to make 50 percent?
Mr. Buckley: It says that the price at which additional copies of Government publications are offered for sale to the public by the Superintendent of Documents shall be based on the costs thereof as determined by the Public Printer, plus 50 percent.
Mr. Andrews: It looks to me like you put 50 percent on the cost. That would making a profit of 50 percent.
Mr. Harrison: Not necessarily. The actual cost of the publication is not the entire cost of distributing the publication. There is the handling of the publication and --
Mr. Andrews: The law says the price must be 50 percent above the actual cost of the publication.
Mr. Harrison: The costs the plant charges the Documents Division".

Thus, there was a difference in interpretation of section 1708 during the 1960's between the Public Printer and Superintendent of Documents. The Public Printer agreed with our interpretation that the term "cost as determined by the Public Printer" meant "the total cost the Documents Division (i.e. Superintendent of Documents) pays the plant (i.e. the GPO printing plant) for the publications and services". This is the item which was listed on the Financial Statement of the Sales Program during this period as "cost of publications purchased for resale". The item is now listed as "cost of publications sold".

While the GAO Report of November 19, 1974 did conclude that "historically GPO financial philosophy has been that total revenues should exceed the total sales program costs", and that "there has not been a major change in the financial philosophy", it also concluded that the "Public Printer's interpretation of costs differs from past interpretations".

The legislative history of the present law is as follows: Section 61 of the Printing Act of January 12, 1895 provided the following formula for publications to be sold by the Superintendent of Documents: "said cost to be estimated by the Public Printer based upon printing from stereotyped plates", and with no mention of recovering "distribution costs". The pricing formula was changed on May 11, 1922 by Senate Joint Resolution 132 as follows: "cost of printing and binding plus 10 per centum". The present pricing formula was enacted on June 30, 1932 by Section 307 of the Legislative Appropriation Act of 1933. The amendment was one of many in an overall appropriation bill, and the legislative history is unfortunately sparse.

However, the legislative history shows that the original proposal in 1932 was contained in H.R. 11267, 72d Congress, and as passed by the House provided an increase in the surcharge to the basic cost of printing and binding from 10 percent to 30 percent. The surcharge was subsequently increased to 50 percent in a Senate Amendment, and the higher figure was accepted in conference. However, the wording of the 1922 law which specified "printing and binding" as the basic cost before the surcharge was changed to "cost as determined by the Public Printer". The intent of the increase from 30 to 50 percent in the Senate version was to split the difference on a "discount of not to exceed 25 percent (to) be allowed to authorized book dealers and quantity purchasers". It was expected that book dealers would take over a large part of the market for selling government publications and thereby reduce the administrative costs of the Superintendent of Documents. This has not occured. Although not conclusive, there is very strong evidence that the legislative intent of the 1932 amendment was merely to increase the surcharge, and there was no intent to change the formula to determine basic cost (i.e. printing and binding) upon which the 50 percent surcharge was to be levied. Nothing was mentioned about the program becoming "self-sustaining". The program was netting a small net profit on the 10% surcharge, and it appears that Congress assumed it would continue to operate at a small, but somewhat larger profit with the increased surcharge.

The GAO Reprot of November 19, 1974 verifies that GPO has over the years arbitrarily changed the formula for pricing sales publications. This fact had been previously reported in House Report No. 2945, Part II,

84th Congress, 2d session, Publications Management in the United States Government, January 2, 1957. A third account of changes in the pricing formula is provided in a GPO study, dated June 23, 1975, "Pricing of Public Documents". There are some minor differences among the three versions.

All three reports indicate that between 1932 and 1936 the traditional formula was continued: i.e. printing and binding costs, plus the surcharge of 50 percent. The GAO report indicates that in 1936 the formula was changed to "printing and binding cost plus 25 percent to cover any cost that would be incurred in reprinting a publication. The 50 percent markup was added to this total cost". This resulted in an 87½% markup. The GPO study also indicates the addition of a 25% reprint factor in 1936, but is not clear whether the 50% surcharge was applied to the printing and binding costs for a total markup of 75%, or upon the reprint factor as well for an effective markup of 87½%. The House Report indicates that prior to 1953 a "reprint factor" of 25% and an "administrative factor" of 20% had been added, but gives no starting date. The GAO Report indicates that in 1953 a "postage factor" of 25% was added, also an "administrative expense" factor of 25%, increasing the markup to 75% before the imposition of the mandatory 50% surcharge, resulting in a total markup of 162½%. The House Report does not mention a "postage factor" of 25%, but it does indicate that in November 1953 the "reprint factor" was increased from 25% to 50%, and in October 1955 the "administrative factor" was increased from 20% to 25%, also for an effective markup of 75% over printing and binding costs before the mandatory 50% surcharge. In August 1973 an entirely new pricing formula was adopted based on multiplying the printing and binding costs by a sliding factor of 2.625 to 3.0 (i.e. a markup of 162½% to 200%) and then adding the postage charges to this total. The 50% surcharge required by law was not included as such, but was incorporated into the formula. The 1973 formula and later changes will be discussed below.

While all three reports agree that GPO added a markup of 75% to the basic printing and binding costs from 1955 onward, they do not agree on whether the mandatory 50% surcharge was applied only to the printing and binding costs for an effective markup of 125%, or was applied after the added 75% markup for an effective markup of 162½%. The GAO and House Reports also do not agree on the legality of the added markup of 75%. The GAO Report concludes that the "Public Printer's interpretation of 'cost' differs from past interpretations, but the Public Printer is complying with the law which allows him to determine cost. Also the Public Printer's interpretation of 'cost' has received tacit congressional approval in that he has made his views known to the House and Senate Appropriations Committees through the annual hearings and has not met opposition". (p.12)

However, it is difficult for me to reconcile this conclusion with the GAO's own account of the legislative history in its 1974 report. In discussing the remarks of the Public Printer in support of the 1932 amendment, the GAO Report states "it seems clear ... that 'cost' as used by the Public Printer was intended to mean printing and binding cost". GAO concluded that "the legislative history ... appears to indicate that the 1932 amendment was intended to increase revenue by raising the percentage markup of 50 percent and the 'cost thereof' meant the printing

and binding cost, or at most, the cost to the Superintendent of Documents of acquiring publications from the Public Printer for sale to the public". The latter term is clearly identified as the line item in the Financial Statement of the Sales Publications Program which is called "cost of publications sold" and/or "cost of publications purchased for resale". The fact that the Appropriations Committees have over the years accepted the faulty interpretation of the Superintendent of Documents without challenge does not change the legislative intent of the law.

Indeed, the House Report also indicates that in the 1950's the GAO had taken a different position on the legality of the 75% markup. The House Report concludes that the "present selling prices not only include the statutory markup of 50 percent, but also include other factors identified as 'reprint factor' and 'administrative expense factor' which in their aggregate were stated by the General Accounting Office to not meet the statutory criterion ". (p.29) The House Report was also critical of "the concept which considers the profit derived from the sale of publications to consitute a source of Government revenue." During the 1950's and 1960's the imposition of the additional 75% markup had resulted in a net profit of over 25% annually from the sales program. This led the House Report to conclude that "it does not appear that the public interest is best served by unnecessarily increasing the price of Government publications, which are presumably printed for the edification of the people, so as to derive excessive profits from their sales. Such a practice is, in effect, the imposition of another form of tax". (p. 80)

The general price level for GPO sales publications had been increased in 1968, which GPO reports was the first change since 1953. However, this was not due to a change in the pricing formula used by the Superintendent of Documents, but was apparently an updating of cost factors in the formula used by the printing plant to determine the basic printing and binding costs. I did not investigate the pricing policy of the Public Printer to determine the basic printing and binding "rider costs". However, this is also a subject of controversy. The editor of the Monthly Labor Review claims that GPO costs for printing and binding (as well as distribution costs) are excessive, and that if the agency were alllowed to let out its own contracts it could get substantially lower printing and binding costs (as well as lower subscription fulfillment costs). On the other hand, Frank Warner in an article in The Nation, March 22, 1975, "Government Printing Office: a Very Odd Publishing House" (p. 340) criticizes the "unwise increase of commercial printing procurement" since the establishment of the Federal Printing Procurement Program in 1968. He argues that this is a reversal of policy which resulted in the founding of the Government Printing Office in 1861: i.e. to take printing away from private printers who were then (and he claims are now) gouging the Government. Nearly 70% of GPO printing is let out on contract to private printers, and most of that is executive department printing. Most of the 30% accomplished in-house by GPO is congressional printing, reinforcing the argument that GPO considers itself primarily as a Congressional Printer.

As for the sliding scale formula of 2.625 to 3.0 times printing and binding costs which was adopted in August 1973, a 1975 GPO study, "The Pricing of Government Publications under Section 1708, Title 44",

concludes that the 2.625 was obtained by adding all factors in the old formula: i.e. 100% printing and binding costs, plus 75% markup, plus 50% surcharge on the 175% (or 87½%) giving a grand total of 262.5%. Although the old formula already contained a 25% markup for postage, the new formula added the postage charges to the grand total of 262.5%.

However, in explaining the new sliding scale formula to Congress, the Public Printer did not mention the 50% surcharge required by law or indicate that it had been incorporated into the new formula. During the Senate hearings on Legislative Branch Appropriations for FY 1975, he reported that he hoped the new formula would get the program back on a "self-sustaining" basis. He was strongly chided by the Chairman for not aiming for a 50 percent profit.

> "Don't you ever come before this committee with 50-percent leeway under the law and using that expression you hope to get it to a breakeven point. You get way above it. Before coming up for the supplemental saying that you are broke because you didn't charge enough. You will be in trouble. The law doesn't allow it". (p. 123)

When the Public Printer announced a revised pricing formula for publications under the new General Sales Program during House hearings on Legislative Branch Appropriations for FY 1977 he was careful to mention that the mandatory 50 percent surcharge was included.

> "This revised scale was developed with the intent to recover all costs associated with the program.. We developed this new scale in such a manner as to segregate publications into three categories, that is, invididual publications, subscriptions to dated periodicals, and subscriptions to basics and supplements. We analyzed our costs to identify more accurately than ever before the cost associated with handling and distributing specific categories of publications. These costs were added to the printing and binding costs, the 50 percent markup factor was then added to these costs and the postage added to arrive at the selling price". (p. 426)

The Public Printer was also careful to emphasize that the surcharge of 50% was not imposed on the postage charges. However, GPO has not provided specific percentages associated with the "distribution costs" markups. It has also been reluctant to provide any hard information on the pricing formula for these markups. Apparently the Public Printer feels that the term "cost as determined by the Public Printer" which gives him the authority to arbitrarily establish basic printing and binding "rider costs" also gives him the authority to arbitrarily establish "distribution costs" bo be used as a basis for pricing publications. I do not agree. An analysis of the Financial Statement of the Sales Program for the three fiscal years, 1972, 1973, and 1974 relevals that printing and binding costs accounted for 21% of the costs of the program, and the "distribution costs" for the remaining 79%. Postage costs alone accounted for 23% of the costs or 109% of the basic printing and binding "rider costs".

In 1975 the Public Printer divided the sales publications program into two separate programs: the Special Sales Program which includes publications over which GPO does not have complete authority to establish

selling prices (primarily the Congressional Record and the Federal Register) and the General Sales Program which includes all other sales publications over which the Public Printer has authority to establish prices under provisions of section 1708. During the hearings on Legislative Branch Appropriations for FY 1976 the Public Printer asked for appropriations of $4.2 million which would subsidize the Special Sales Program. The request was approved, and a similar request for $4.7 million was approved in the FY 1977 GPO appropriations. In addition, the actual figures for FY 1974 sales program were corrected to provide amounts for a General Sales Program and a Special Sales Program.

The price for the daily Congressional Record had been set at $1.50 per month on March 3, 1886 by a joint congressional resolution which was later included in the Printing Act of 1895 and subsequently codified as section 906, Title 44, U.S. Code. In 1970, section 906 was amended as follows by Public Law 91-276, approved June 12, 1970: "The Public Printer may furnish the daily Record to subscribers at a price determined by the Public Printer upon the cost of printing and distribution, such price to be payable in advance". The law was further amended by Public Law 93-314, approved June 8, 1974 which transferred that part of section 906 dealing with pricing to section 910 and added the following provision: "The Congressional Record shall be entitled to be mailed at the same rates of postage at which any newspaper or other periodical publication, with a legitimate list of paid subscribers, is entitled to be mailed".

The 1974 change was the result of a disagreement between the Joint Committee on Printing and the Postal Service on who had authority to establish postal rates on mail subscriptions for the Record, and the proper rate. JCP claimed that the daily Record qualified for second-class newspaper rate which GPO estimated would cost $792,050 for 35,000 mail subscriptions in 1974. The Postal Service claimed it did not qualify for 2d class rate. GPO had been sending the daily Record at 1st class rate at a cost of $9,270,500 annually.

On June 22, 1970 the Public Printer proposed to the JCP Chairman to increase the subscription price of the daily Record to $45 starting in 1971 to make it "self-sustaining". The request was approved June 29, 1970. However, this action set a precedent in that the Public Printer now feels that he must have JCP approval in order to change the subscription price of the Record despite the fact that P.L. 91-276 gives him a clear mandate to establish the price "upon cost of printing and distribution" without reference to Congress. In the House hearings on Legislative Branch Appropriations for FY 1977 he reported that it costs $130 annually to print and distribute the daily Record (p. 456), but that he has been unable to get approval from JCP to increase subscriptions prices in order to get it on a "self-sustaining" basis again. In addition to the Congressional Record, the following congressional publications are also included in the Special Sales Program: Congressional Directory, Congressional Pictorial Directory, The Capitol, Eminent Americans, Our Flag, The Constitution, How Our Laws Are Made, Our American Government, Pledge of Allegiance, and History of House of Representatives.

The Public Printer estimated that for FY 1977, the Special Sales Program would need a subsidy of $4.7 million. Over $3 million of this

was needed to subsidize the Federal Register system of publications. The pricing of the Federal Register is governed by section 1504, Title 44, U.S. Code which provides that "the prices to be charged for the Federal Register may be fixed by the Administrative Committee of the Federal Register established by section 1506 of this title without reference to restrictions placed upon and fixed for the sale of Government publications by sections 1705 and 1708 of this title". The Administrative Committee of the Federal Register consists of three persons: the Archivist of the United States, an officer of the Department of Justice appointed by the Attorney General, and the Public Printer. The Public Printer reported to the House Subcommittee on Legislative Branch Appropriations for FY 1977 that he had proposed an increase in the subscription price of the Federal Register to make it self-sustaining. However, his proposal died in committee for lack of a second. (p. 495) In 1975 the Administrative Committee had approved a nominal increase in the subscription price from $45 to $50 annually. The Public Printer reported that it now costs $129 annually to print and distribute copies of the Federal Register. The Special Sales Programs also includes the following titles: List of CFR's Affected, Weekly Compilation of Presidential Documents, U.S. Government Manual, Code of Federal Regulations, and Public Papers of the President of the United States.

VI. Analysis of Financial Statement of GPO Sales Program

The Government Printing Office has for many years provided the Subcommittees on Legislative Branch Appropriations with statistical tables that provide a revealing history of the Sales Publications Program. I have included a consolidated summary of significant items for the years 1962 to 1974. (see Appendxi D) The first insertion in the appropriations hearings is a financial statment of the sales publications program which is now titled: "Government Printing Office Revenue, Expense, and Retained Earnings, Sales of Publications". It was earlier titled "Income and Expense Statement, Superintendent of Documents-Sale of Publications". Essentially the same line items have appeared since 1962 with few exceptions. No statement was inserted in either the House or Senate Appropriations hearings for fiscal years 1966 and 1977 which would have provided the actual figures for fiscal years 1964 and 1975, respectively. Lines 1 through 13 on the consolidated table are taken from the Financial Statement.

The second regular insertion has been a series of two statistical tables. The first is a "Summary of Workload" for the Superintendent of Documents which includes the following activities: number of sale orders; letters of inquiry, amount of sales (line 1 on the consolidated table); number of publications sold (line 15 on the consolidated table); publications distributed for other Government agencies; number of publications distributed to depository libraries; and number of publications cataloged and indexed. The second table consists of only two line items, but it is more significant to this report. It is now called "Appropriations and Miscellaneous Receipts". Its earlier title was "Appropriations and Earnings". The first line (line 15 on the consolidated table) lists "Appropriations, all SuDocs Programs". The second line (line 16 on the consolidated table) is now called "Miscellaneous receipts to Treasury". It was previously called "Earnings (miscellaneous receipts to Treasury)".

Lines 1 through 13 are a consolidation of line items from the Financial Statement of the GPO Sales Publications Program. Line 1 shows income or revenue from the sale of publications. In the hearings for FY 1976 appropriations, separate statements were furnished for the General Sales Program and the Special Sales Program with actual figures for FY 1974. I have also shown these as a combined figure. Line 1 shows a gradual rise in sales from $10,902,000 on 54,762,000 publications in FY 1962 to $23,160,000 in FY 1973 on sales of 78,000,000 publications. This represents an increase of 112% in income on an increase of 42% in volume. However, there was a sharp increase of 55% in income from 1973 to 1974 based on an increase of only 7% in volume, reflecting the sharp rise in GPO prices.

Line 2, "Other Income" combines three separate line items from the Financial Statement: gratuitous revenue (sale of other Government publications by other sales agents of Superintendent of Documents); deposit accounts inactive for 10 years and unidentified remittance; and unredeemed public documents coupons. The hearings on FY 1976 Appropriations added a fourth line item: sale of waste paper. The exceptional figure of $13,197,000 for FY 1972 includes an extraordinary item of $12,702,000 which represents a supplemental appropriation transfer in this amount for salaries and expenses (mostly postage). The exceptional figure of $6,759,000 for FY 1975 includes an extraordinary item of $6,214,000 for

a supplemental appropriation transfer again for salaries and expenses (mostly postage) to make up the operating deficit for these years. Line 3, "Total Revenue" is obtained by adding Lines 1 and 2.

Lines 4 through 8 are entered on the Financial Statement under the subheading "Expense". Line 4 was previously titled "Cost of publications for resale", and now called "Cost of publications sold". I believe that the amount on this line is the "cost" referred to in section 1708 to which the Superintendent of Documents should add the 50 percent surcharge to obtain a selling price for publications. Again there is a sharp rise in expense (82%) from 1973 to 1974 based on an increase of only 7% in the number of publications sold. The main culprit for the sharp rise in prices is shown in Line 5, "Postage for sales copies mailed". There was only a gradual increase from 1962 to 1971, when there was a sharp rise from $2,065,000 in FY 1971 to $15,057,000 in FY 1972. This figure fell back considerably during the next two years to about $11 million. This was due primarily to the change in postal rate classification for the Congressional Record from first class to second class newspaper rate. The earlier postal rates had been established in 1955 and were not changed until FY 1972 following the establishment of the United States Postal Service. The increases from 1955 to 1971 were due to increases in the volume of mailings, which were pro-rated against the basic 1955 rate scale.

Line 6 represents "Unsalable Publications" which have been sold for scrap or else discarded. Line 6, "Administrative Expense" was added for the hearings on FY 1968 Appropriations with actual figures for FY 1966. No explanation has been given in the hearings for this item which by FY 1974 had grown to a considerable annual expense of nearly $5 million. During the House hearings on Legislative Branch Appropriations for FY 1977, the JCP Chairman, Wayne Hays was particularly critical of the extent of such "overhead" items which led him to call GPO an "ineptly run Federal bureaucracy in which you are getting about 10 percent efficiency and productivity from employees". (p. 1171) Line 8, "Total Expense" is obtained by adding Lines 4 through 7.

Line 9, "Net Operating Income" is obtained by subtracting Line 8, "Total Expense" from Line 3, "Total Revenue". In the mid 1960's this line item was called "Adjusted Gross Earnings". In the FY 1976 Financial Statement it is called "Earnings before deduction of 'Salaries and expenses' appropriation expenditures". This line represents the amount which is turned into the U.S. Treasury as "Miscellaneous receipts". It is the same amount which is reported in the table of "Appropriations and Miscellaneous Receipts". The amounts for FY 1972 and FY 1973 can be misleading for the reasons indicated above, since they include in Line 2, "Other Income", large supplemental appropriations for salaries and expenses. Corrected figures for FY 1972 would show a deficit of $4,462,000 and for FY 1973 a deficit of $1,261,000.

Line 10 represents the total for about 11 separate items of expenditures from appropriated funds. Lines 11 and 12 of the consolidated table represent two of the more significant line items which make up this total. Line 11 shows "Personal compensation" or "Salaries", which illustrates another reason for the sharp rise in expenses and sales prices. This expense rose gradually from $2 million to $3½ million in the 1960's.

In the five years from 1960 to 1974 this expense increased 268% to over $13 million. Line 12 lists expenses for "Communications" which is mostly postage. Prior to the FY 1976 statement (FY 1974 actual) the figure was broken out of a large line item called "rent, communications, and utilities". The FY1976 statement provided only the consolidated expense without the separate breakout. This was a relatively insignificant item through FY 1971. The exceptionally high figure of $12,838,000 for FY 1972 includes the supplemental appropriation of $12,702,000 mentioned above. Likewise, the figure of $9,640,000 for FY 1973 includes the supplemental appropriation of $6,214,000. However, the hearing record does not explain the reason for the continuance of the high figure for FY 1974.

Line 13, "Net Earnings" is obtained by subtracting Line 10, "Expenditures from Appropriated Funds" from Line 9, "Net Operating Income". This is the "bottom line" which tells whether the program has broken even (i.e. self-sustaining) or a made a profit or loss. Line 14, "Profit on Sales" is not part of the Financial Statement. I have computed this percentage based on the relation of Line 1, "Sales" to Line 13, "Net Earnings". It very graphically illustrates that throughout the 1960's government publications were consistently overpriced by nearly 25% due to the unwarranted added markup of 75%.

Lines 15 through 17 show items which were regularly published in two adjoining tables in the appropriations hearings. Line 15, "Number of Publications Sold" is taken from the table titled "Summary of Workload". Lines 16 and 17 are the two line items of the Table now called "Appropriations and Miscellaneous Receipts". Line 15 shows the total appropriations for all Superintendent of Documents programs. Another financial statement in the hearings provides the breakout for the appropriations alloted to each program as follows: sales distribution (same as Lines 9 and 17); distribution for other agencies; depository library distribution; cataloging and indexing; and contingency fund. The second line of the table (Line 17) during the 1960's was called "Earnings (miscellaneous receipts to Treasury)".

During the 1960's the Superintendent of Documents invariably in his prepared statement to the Appropriations Subcommittees pointed with pride to this second table which shows that "earnings" from the sales program not only covered the expense of that program, but also the expense of the "non-revenue producing" operations of his office. This was true for the years 1960 through 1967 and again for 1969 after the 1968 price increase. However, the Superintendent of Documents neglected to volunteer the information that Line 17 represented "gross" earnings and not "net" earnings. During the hearings on FY 1971 appropriations he was forced to confess to Chairman Andrews in the House (primarily at the prompting of Public Printer Harrison) that his "net" (or real) profit was only about $2 million and not over $10 million plus as shown on the table. (p. 613). During the Senate appropriations hearings the same year, Chairman Montoya through astute questioning pried the same admission from a reluctant Superintendent of Documents. (p. 478)

VII. User Charges; Dichotomy of Free and Sales Publications; FOIA

Although I do not accept the Public Printer's interpretation of section 1708 that the GPO sales publication program must be fully self-sustaining, this financial philosophy appears to be in accordance with federal policy on "user charges". Such policy was enacted by Section 501, Independent Appropriations Act of 1952, and codified as section 483a, Title 31, United States Code.

> "It is the sense of the Congress that any ... publication ... issued by any Federal agency ... shall be self-sustaining to the full extent possible ... and the head of each Federal agency is authorized by regulation ... to prescribe therefor such fee, charge, or price ... to be fair and equitable taking into consideration direct and indirect cost to the Government, value to the recipient, public policy, or interest served, and other pertinent facts ..."

It would appear that the key phrase in the Act pertinent to the GPO sales publications program is "shall be self-sustaining to the full extent possible". However, judicial interpretation of this section provides interpretation of the equally significant term "public policy or interest served". The footnotes to the U.S. Code Annotated provide this analysis:

> "This section was enacted to allow Federal agencies to recoup costs from identifiable 'special beneficiaries' where the services rendered inured to the benefit of special recipients and not to the general public. ... Under provision of this section ... reasonable charge should be made to each identifiable recipient for measurable unit or amount of government service or property from which he derives special benefit, and no charge should be made for services when identification of ultimate beneficiary is obscure and services primarily benefit broadly the general public".

Thus, neither the GPO sales publications program nor any other federal program must be fully self-sustaining. As taxpayers we support many programs from which we as individuals receive no direct, identifiable benefit. However, such programs are financed from public funds since they serve the general public interest. Federal programs must be self-sustaining only to the extent to which they serve "special beneficiaries". Public libraries which buy government documents to make government information available to citizens would probably not consider themselves to be "special beneficiaries". Other types of libraries, including not only academic and school libraries, but special libraries as well serve the general interest to a greater or lesser extent. Even making publications available to citizens at a reasonable price serves the public interest in most cases.

The Public Printer is not adverse to federal subsidies for sales publications, especially for libraries. HMSO allows a 50% discount to publicly supported libraries on sales of British government documents. However, the Public Printer feels that such subsidies should come from funds appropriated to the issuing/publishing agencies who presumably know better which publications have public interest or value. On the other hand, he implied in the House hearings on Appropriations for FY

1977 that agencies can't provide an unbiased evaluation of the sales potential of their publications. "Every editor who generates a new publication thinks it is a best seller, another 'Gone with the Wind', and, believe me, many are not". (p. 453)

The problem of establishing a fair pricing policy is complicated by the historical practice of issuing/publishing agencies providing free copies of many GPO sales titles to individuals and organizations, either through automatic distribution on mailing lists, or upon individual requests. Indeed, the Superintendent of Documents is directly involved in distributing free publications through his Statutory Distribution Service, and through the operation of the Consumer Information Center Distribution Facility at Pueblo, Colorado. These distribution services are financed from appropriated funds. The Superintendent of Documents also operates the Depository Library System under which approximately 1,200 libraries throughout the country receive selected categories of publications free of charge. The entire program is financed from appropriated funds under provisions of Chapter 19, Title 44, United States Code.

This situation has not changed much from 1949 when James L. McCamy made the following assessment in his Government Publications for the Citizen: Report of the Public Library Inquiry:

> "Despite the fact that government documents are theoretically for sale, most of them are given away. Only the unformed, the modest, the hurried, or the righteous buy them, for by going to the issuing agencies, or to Congress one apparently can usually by-pass the Printing Office. The majority of Federal publications are distributed by agencies whose policies vary, but tend toward generosity, although some agencies recently appear to be tightening up on gifts to individuals. There is no rational policy dividing sales from gifts". (p. 41)

After conducting hearings in 1956 on the "Sale and Distribution of Government Publications by the Superintendent of Documents", the Subcommittee to Study Federal Printing and Paperwork of the Committee on House Administration made the following recommendation: (House Report 84-2945, Pt. II, p. 80)

> "There is need for enactment of legislation which will clearly set forth the policy of the Government so as to distinguish between those publications which may be distributed to the public without cost to the recipients and those which must be purchased from the Superintendent of Documents. The needed legislation should correct the paradoxial condition now existing whereby many publications may be obtained without cost, if requested from the issuing agency or Members of Congress out of quotas available to them, but for a price if ordered from the Superintendent of Documents".

More recently, Ralph Nader in his syndicated column of January 5, 1975 under the headline, "GPO: Weak and Weary" made the following comments:

> "The GPO's pricing policy suffers from several contradictions ... Year after year, most government documents are distributed 'free' to citizens who know whom to ask (such as their member of

Congress) or other government agencies for internal or public distribution. Estimates indicate that no more than 15 percent of all government documents are sold".

Also significant to this discussion on financial philosophy is federal information policy. The recent trend has been for more openness, and less secrecy in government, and to make information more freely available to the public as exemplified by the Freedom of Information Act, Privacy Act, Federal Advisory Committee Act, and Government in the Sunshine legislation. However, "freedom of information" does not automatically provide the applicant with information "free of charge". Federal agencies are authorized to charge fees by section 552(a)(4)(A), Title 5, U.S. Code which "shall be limited to reasonable standard charges for document search and duplication, and provide for recovery of only the direct costs of such search and duplication". However, FOIA has an added proviso similar to that found in section 483a, Title 31 "Documents shall be furnished without charge or at a reduced charge where the agency determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the general public".

The Consumer Information Center provides an example where the Committees on Appropriations have given tacit approval to a policy of providing free distribution of government publications. The Consumer Information Center was established on October 26, 1970 by Executive Order 11566. One of its main responsibilities is to increase public awareness of, and provide maximum accessibility to consumer infomration. The primary vehicle for doing this is the quarterly Consumer Information Index. More than 20 million copies of the index are distributed annually, approximately 2/3d of the total by members of Congress. The Index for Summer 1976 lists and annotates 238 consumer publications, of which 131 are free. The remaining 107 are inexpensive publications, of which only 12 cost more than one dollar. These publications are distributed from a central distribution facility at Pueblo, Colorado, which is operated by the Superintendent of Documents. The Center's appropriations cover the cost of publishing and bulk distribution of the Index. The issuing agencies furnish the free publications. Operation of the distribution facility is covered by appropriations to the Government Printing Office. A large slice of the Center's budget is devoted to a national public service campaign with announcements on television and radio, and advertisements in magazines which emphasize the index and availability of publications. A national campaign was conducted in late 1975 and early 1976 in cooperation with General Mills to advertise a free Department of Agriculture nutrition pamphlet, "The Thing the Professor Forgot". This campaign caused the Public Printer to ask for a supplemental appropriation of $900,000 for FY 1976 to cover costs of responding to the increased workload.

VIII. Question 18: Librarians' Opinion of GPO Pricing Policy

On Question 18 of the GPO Users Survey, librarians were asked to give their opinion of a proper policy for the pricing of GPO sales publications. They were presented with the statement that "the Public Printer has claimed that the GPO sales program should be fully self-sustaining, and the full costs of publications, including the basic printing costs and added administrative and overhead costs should be borne by the user". They were asked to choose among the following options:

a. Price should cover all costs (fully self-sustaining).
b. Price should cover basic printing only; administrative and overhead costs should be subsidized by appropriated funds.
c. Price should cover basic printing costs and postage; other administrative costs should be subsidized.
d. Price should cover basic printing costs and administrative costs, less postage; postage costs should be subsidized.
e. Other.

The response broken by type of library is shown below:

	a.All costs	b. Basic Printing	c.Printing +Postage	d.Costs-Postage	e. Other	Total
Academic	17 (20.7%)	27 (32.9%)	32 (39.0%)	3 (3.7%)	3 (3.7%)	82
Public	4 (13.3%)	11 (36.7%)	12 (40.0%)	2 (6.7%)	1 (3.3%)	30
School			1 (100%)			1
Special	2 (50%)		1 (25%)		1 (25%)	4
Special/Profit	10 (28.6%)	8 (22.8%)	12 (34.3%)	3 (8.6%)	2 (5.7%)	35
Special/NonProfit	5(22.8%)	5 (22.8%)	11 (50%)		1 (4.4%)	22
Government	2 (40%)			1 (20%)	2 (40%)	5
Govt/Federal		3 (42.9%)	1 (14.3%)	2 (28.5%)	1 (14.3%)	7
Govt/State	4 (18.2%)	9 (40.9%)	7 (31.9%)	1 (4.5%)	1 (4.5%)	22
Govt/Other		2 (28.6%)	2 (28.6%)	2 (28.6%)	1 (14.2%)	7
Other	4 (80%)			1 (20%)		5
TOTAL:	48 (21.8%)	65 (29.6%)	79 (35.9%)	15 (6.8%)	13 (5.9%)	220

The sample from some types of libraries was not large enough to make valid comparisons. The largest group responding were academic librarians. Their response generally corresponded to the average for the entire group. Only 21.8% felt the GPO sales program should be fully self-sustaining. The largest significant group agreeing with this policy were the special librarians from profit institutions (28.6%). At the

other end were the public librarians (13.5%) Over 72% of the librarians recommended some type of subsidy, and of the three choices presented the most popular was to subsidize the administrative and overhead expenses (less postage) of the Superintendent of Documents (35.9%); the second most popular was to subsidize all administrative and overhead costs including postage (29.6%); and the least popular subsidy was to cover postage costs (6.8%). The major groups of librarians generally made their choices in this order, except that the first choice of the state government librarians was a subsidy for all administrative and overhead costs including postage. Their response for this choice (40.9%) was well above the average.

Librarians favor partial subsidies to reduce the prices for GPO publications and bring them back to a reasonable price level. While the high percent in favor of subsidies was not surprising, the librarians' first choice of option "c", and the low percent choosing option "d" was surprising. I expected a higher percent to choose options which provide a subsidy for postage, since the increase in postage charges had been identified as the prime culprit for the sharp rise in GPO prices. Indeed, the American Library Association has favored subsidy of postage on mailing government publications to libraries. Probably few, if any of the respondents were aware of how much each subsidy was worth. An analysis of the Financial Statements for the GPO Sales Program for the three fiscal years 1972, 1973, and 1974 shows that the cost of "printing and binding"(i.e. Line 4 on the consolidated table) accounts for only 21% of the cost of the sales program. The "distribution costs" account for the remaining 79% of the cost, of which postage accounts for 23% of the total cost. Thus, the following subsidies would be provided by the options: "b" - 79%; "c" - 56%; and "d" - 23%. If the Superintendent of Documents priced sales publications in accordance with the legislative intent of the law (i.e. Printing and binding costs plus 50 percent), less than one third (32⅓%) would be recovered. A markup of 376% was required to make the program fully self-sustaining.

IX. Issuing Agencies and Publications Management

Not only librarians and other users are concerned about the sharp rise in prices for GPO sales publications. The issuing/publishing agencies are also concerned about the pricing policy for publications which they prepare and publish. The Government Printing Office is a central printing establishment, and the Office of the Superintendent of Documents is its sales agent. GPO is not a publishing office. Unlike commercial practice, the government publisher is forced to abdicate a large degree of control of its publications. During the hearings on Legislative Branch Appropriations for FY 1977 in both houses, the Federal Editors Association (an organization of civil servants who write and edit publications of federal agencies) submitted for the record a resolution adopted by the Association on August 4, 1975.

With respect to the separation of publishing, printing, and sales management, the Association said that "the present system of distributing subscription publications to the public gives publishing agencies no opportunity to manage the publications. Our agencies have the statutory obligation to make information available to the public and to pay the basic cost of publishing, but have no say in setting the prices charged to the public".

The Federal Editors Association has since dissolved and its members have joined forces with the Government Information Organization to form a new organization, the National Association of Government Communicators. It is understood that the new organization is also concerned about the lack of management control which issuing agencies have over the printing and selling of their publications.

While I am unable to evaluate the merits of the publishers' desire for greater management control over the printing and sale of government publications (now the statutory responsibility of the Government Printing Office), I feel that closer cooperation is needed between the issuing/publishing agencies and the GPO. The sharp rise in prices certainly had an adverse impact on the information and publishing activities of these agencies, and they should be consulted on these matters. A good example of such cooperation is the recent action by the Bureau of Labor Statistics in obtaining price reductions of 10% to 35% on its seven most important subscription periodicals. These reductions were achieved through talks with GPO officials in which it was mutually agreed that prices could be reduced by a change from first class mailing to other satisfactory postal classifications - which cost substantially less.

I also feel that there should be a full examination of Title 44, U.S. Code particularly those chapters which are primarily a codification of the Printing Act of 1895. The character of government printing and publishing has changed radically over the past 80 years. In 1895 the Congress was the predominant branch of Government. Most executive departments were concentrated in the Washington area, and did a limited amount of publishing. However, with advent of the New Deal in the 1930's and the two World Wars, the executive branch has expanded enormously and its publishing activites dwarf those of the legislative branch. Yet, the central agency responsible for government printing

remains in the legislative branch, and it would appear gives preferred treatment to congressional printing requirements.

I feel that an examination of Title 44 should consider whether the Government Printing Office should be transferred to the executive branch, or whether a comparable central printing establishment should be provided for the executive branch. In 1949, James McCamy wrote in his Government Publications for the Citizen that "the Government Printing Office is primarily an executive agency in its function, and it should be placed in the Executive Branch of Government where it could coordinate the publishing and distribution of publications for the entire government". (p. 80) In August 1975, Robert E. Lewis, Vice President, First National City Bank of New York in an address at the annual meeting of the American Statistical Association recommended "the establishment of a separate printing office for the Executive Branch. The GPO does a good and efficient job for the Legislative Branch which controls its purse-strings; it has done an increasingly expensive and unsatisfactory job for the Executive departments and agencies and for the general public".

Meanwhile the Chairman of the Joint Committee on Printing requested a supplemental appropriation of $300,000 for FY 1976 to "complete a comprehensive management review and analysis of the Government Printing Office's organizations, policies, systems and processes". This request was incorporated into the Second Supplemental Appropriation Bill, 1976 (H.R. 13172) which was approved by the President on June 1, 1976 as P.L. 94-303. The request resulted from the appearance of the JCP Chairman before the House Subcommittee on Legislative Branch Appropriations for FY 1977 in which he criticized the overall management of GPO operations, and suggested that a detailed management study of GPO was required. Dissatisfaction with the GAO's Report of November 19, 1974 on Pricing and the GAO survey on automatic distribution of documents led to the suggestion to engage an outside consultant. (pp. 1169ff) It is expected that a management consulting firm would complete a study in six months and review such "key activities as warehousing, distribution, inventory management; product costing, pricing, and billing; personnel management; product offerings and promotion; production planning and control; procurement; management information, and long-range planning".

X. Conclusions and Recommendations

The sharp rise in prices for GPO sales publications since November 1972 has greatly exceeded the rise in the Consumer Price Index, and in prices for commercial publications. These price increases have had an adverse effect on the ability of American libraries to provide government information to the American citizen.

One of the main causes for the sharp rise in GPO prices has been the increase in postal charges following the establishment of the independent United States Postal Service and elimination or reduction of postal subsidies. The largest price increases have been felt in periodicals and other serial publications in which postage is a large component of the price. Postal charges could be reduced by providing subsidies to the Postal Service. GPO should also consult with the issuing/publishing agencies to insure that the lowest postal classification is used which will still satisfy the needs of the user.

The rise in GPO prices has also been due to significant increases in salaries and other administrative expenses. There is reasonable doubt as to whether the GPO Sales Program is operating as efficiently as it should. This topic should be investigated by the consultant to the Joint Committee on Printing who will conduct a comprehensive management survey of GPO operations.

The Government Printing Office has since 1936 violated the legislative intent of the law governing the pricing of publications for sale to the public (section 1708, Title 44, United States Code). The law which provides that the price for GPO sales publications shall be "based on cost as determined by the Public Printer plus 50 percent" is subject to different interpretation. Indeed, it has been interpretated differently over the years by the Public Printer and other government officials directly concerned with the program. The law should be revised if only to provide the needed clarification.

However, revision of the law is urgently needed to bring it in line with current economic realities, and with general federal policy on user charges. The legislative intent of the law is that the selling price of GPO sales publications shall be based on rider costs for printing and binding additional sales copies, plus a 50 percent surcharge to cover the added "distribution costs". From 1932 when the law was amended until 1936, the Superintendent of Documents followed the legislative intent of the law and was able to make a small net profit on the 50 percent surcharge. From 1936 to 1955 the Superintendent of Documents added a 25% markup for a reprint factor. From 1955 to 1972, the Superintendent of Documents added a 75% markup, 25% each for reprint, postage, and administrative expense factors. This effective markup of 87½ percent in contradiction of the legislative intent of the law resulted in annual net profits of about 25 percent. However, from 1972 to 1975 with the rise in postage costs and administrative expenses, the "distribution costs" accounted for 79% of the costs of the GPO sales program. It would have required a surcharge of 356% to make the program self-sustaining, whereas only a 50 percent surcharge is allowed by law.

Section 1708 should be revised to conform with general federal policy on user charges as expressed in section 483a, Title 31, United States Code. This policy provides that government services for "special beneficiaries" should be self-sustaining to the fullest extent possible. However, it also provides that programs which "primarily benefit broadly the general public" may be subsidized from appropriated funds.

The problem of establishing a fair pricing policy is complicated by the dichotomy of the federal government providing free publications to some individuals or organizations (by the issuing/publishing agencies, members of Congress, Consumer Information Center, etc.) and requiring others to buy them from the Government Printing Office. Many citizens are not aware of this largesse of the federal government. The sales program of the Government Printing Office provides a recognizable and traditional central point from which citizens expect to be able to obtain government publications. Providing government publications to the American citizen at reasonable prices from this central point benefits broadly the general public. Education and advertising programs which inform citizens of the availability of these publications also benefits the general public. General policies should be established on the classes of users and/or classes of publications which should be subsidized from appropriated funds for the operation of the GPO sales service. The agency best suited to establish such policies is the Joint Committee on Printing.

COPY

COPY

FEDERAL STATISTICS USERS CONFERENCE

GPO PRICES FOR FEDERAL GOVERNMENT PERIODICALS AND SUBSCRIPTION SERVICES OF INTEREST TO STATISTICS USERS

	1972	1973	1974	1975	Annual Percent Increase 72-73	73-74	74-75	3 Yr. % Increase 72-75
Bureau of the Census:								
Census Bureau Catalogue	$ 3.00	$ 6.50	$ 10.90	$ 14.40	117	68	32	380
Current Population Reports	14.00	30.50	30.50	56.00	118	0	84	300
Current Retail Trade Reports	6.00	13.00	30.10	30.10	117	132	0	402
Current Wholesale Trade Reports	1.50	3.50	5.15	7.20	133	47	40	380
Current Construction Reports:								
Housing Authorized by Building Permits & Public Contracts	8.00	17.50	22.05	31.05	119	26	41	288
Housing Starts	2.00	4.50	5.15	6.50	125	14	26	225
Value of New Construction Put in Place	2.50	5.50	6.20	9.40	120	13	52	276
Current Foreign Trade Reports:								
Highlights of Exports & Imports	5.00	11.00	24.45	37.75	120	122	54	655
U.S. Trade, Puerto Rico and U.S. Possessions	2.50	5.50	11.40	16.30	120	107	43	552
Classifications and Cross Classifications	6.00	13.00	16.05	17.00	117	23	6	183
Exports, Commodity by Country	33.00	88.85	88.85	122.20	169	0	38	270
Imports, Commodity by Country	21.00	46.00	49.85	71.85	119	8	44	242
Schedule B, Commodity & Country	10.50	10.50	23.00	23.00	0	119	0	119
TOTAL, Census Bureau:	$115.00	$255.85	$323.65	$442.75	122	27	37	285
Other Commerce Dept. Pub's.								
Survey of Current Business	9.00	20.00	34.45	48.30	122	72	40	437
Defense Indicators	3.50	7.50	11.00	17.90	114	47	63	411
Business Conditions Digest	15.00	33.00	45.80	55.25	120	39	21	268
Business Service Checklist	2.50	5.50	7.20	9.70	120	31	35	288
Commerce Today	15.00	33.00	42.40	54.05	120	28	27	260
Commerce Business Daily	25.00	40.00	63.50	98.80	60	59	56	295
Construction Review	6.50	11.50	11.50	14.50	77	0	26	123
Foreign Economic Trends & Their Implications for U.S.	15.00	27.00	27.00	37.50	80	0	39	150
Overseas Business Reports	16.00	28.50	28.50	28.50	78	0	0	78
TOTAL, Other Commerce Dept.:	$107.50	$206.00	$271.35	$364.50	92	32	34	239
GRAND TOTAL, All Commerce Pub's.:	$222.50	$461.85	$595.00	$807.25	108	29	36	262

COPY

COPY

FEDERAL STATISTICS USERS CONFERENCE

GPO PRICES FOR FEDERAL GOVERNMENT PERIODICALS AND SUBSCRIPTION SERVICES OF INTEREST TO STATISTICS USERS

	1972	1973	1974	1975	Annual Percent Increase 72-73	73-74	74-75	3 Yr. % Increase 72-75
Labor Department Publications:								
Employment and Earnings	$ 10.00	$ 10.00	$ 28.10	$ 37.20	0	181	32	272
Occupational Outlook Qtrly.	1.50	1.50	4.30	5.40	0	187	26	260
Manpower	5.50	5.50	15.30	15.30	0	178	0	178
Monthly Labor Review	9.00	9.00	16.25	22.35	0	81	38	148
Job Safety and Health	4.50	4.50	10.70	13.60	0	138	27	202
Current Wage Developments	4.50	4.50	10.35	18.00	0	130	74	300
TOTAL, Labor Department:	$ 35.00	$ 35.00	$ 85.00	$111.85	0	143	32	220
Agriculture Dept. Publications:								
Farm Index	2.00	3.50	5.65	7.70	75	61	36	285
Agricultural Economic Research	1.00	2.00	2.60	3.85	100	30	48	285
Agricultural Situation	1.00	2.00	2.40	3.30	100	20	38	230
TOTAL, Agriculture Dept:	$ 4.00	$ 7.50	$ 10.65	$ 14.85	88	42	39	271
Other Agency Publications:								
Daily Statement of U.S. Treasury	6.00	13.00	41.75	62.20	117	221	49	937
HUD Newsletter	1.50	3.50	7.30	12.50	135	109	71	733
Social Security Bulletin	4.00	7.00	10.45	18.55	75	49	78	364
Treasury Bulletin	13.50	29.50	43.30	55.15	119	47	27	309
Monthly Catalog of U.S. Govt. Publications (GPO)	7.00	12.50	19.35	27.00	79	55	40	286
Statistical Reporter (OMB)	2.00	3.50	5.25	6.00	75	50	14	200
Statistical Bulletin (SEC)	1.50	17.00	28.70*	28.40	1,033	69	-1	1,793
Economic Indicators (JEC)	3.00	6.50	6.50	10.10	117	0	55	237
Electric Power Statistics	3.00	5.50	5.50	5.50	83	0	0	83
Quarterly Financial Report for Mfg. Corps. (FTC)	4.50	4.50	4.50	5.25	0	0	0	17
TOTAL, Other Agencies:	$ 46.00	$102.50	$172.60	$230.65	123	68	34	401
GRAND TOTAL, All Publications:	$307.50	$606.85	$863.25	$1164.60	97	42	35	279

* Periodicity changed on April 18, 1974 from weekly to monthly

GPO PRICES FOR REPRESENTATIVE ANNUAL PUBLICATIONS (Cost per volume in dollars)

Year of Publication:	1967	1968	1969	1970	1971	1972	1973	1974	1975	Increase (%) 67-72	Increase (%) 72-75
Yearbook of Agriculture	2.75	3.00	3.50	3.50	3.50	3.50	5.70	5.70	7.30	27%	109%
Statistical Abstract	4.00	4.75	5.75	5.75	5.50	5.50	9.60	10.20	10.50	38%	91%
United States Reports	5.75+	8.75+	9.00+	9.00+	7.00+	7.50++	8.30++	13.45++	19.50++		
CLOTH BOUND 6x9"										33%	100%
Documents on Disarmament	2.50+	2.50+	3.75+	3.50+		3.50++	6.00++	7.40++	8.90++	40%	154%
Economic Rpt. of President	1.25	1.25	1.50	1.50	1.50	1.50	2.35	3.05	3.25	20%	117%
Budget of U.S. Government	1.50-	1.75-	2.75-	2.50-	2.50-	2.50-	2.60-	2.45-	3.45-	67%	38%
Council on Environmental Quality Annual Rpt.				1.75	2.00	2.00	4.30	5.20	6.60		230%
PAPERBACK 6x9"										42%	135%
HUD Statistical Yearbook			3.00++	3.25+	2.50+	3.75+		4.20++	5.05++		35%
Uniform Crime Reports	1.00+	1.25+	1.50+	1.50+	1.75+	1.75+	2.85+	2.95+	3.60+	75%	106%
Manpower Rpt. of President	1.50	2.25	2.00	2.50	2.50	2.25	2.85	3.85	4.20	50%	87%
Budget of US Govt/Appendix	6.50-	6.00-	8.50-	8.25-	8.50-	8.50-	10.70-	15.05-	19.20-	31%	126%
Treaties in Force	1.50	1.50	1.50	2.75	2.75	3.00	3.00	3.00	5.05	100%	68%
Stats of Income; Individual	2.00++	2.50++	2.75++	2.75++	3.75++	5.00++	6.40++		6.15+++	150%	23%
U.S. Industrial Outlook	1.25	1.25	2.50	4.75	4.75	3.75	6.50	3.40	4.00	200%	7%
PAPERBACK 8x10½, 9x11"										101%	65%
Conservation Yearbook	2.00	1.50	2.00	2.00	2.00	2.00	4.45	4.95	5.55	0%	178%
										44%	120%

REMARKS

+Year of publication is one year later than volume year; ++ two years later (i.e. 1967 HUD Statistical Yearbook was published in 1965)

-Year of publication is one year earlier than volume year (i.e. Budget of U.S. Government for 1977 was published in 1976)

GPO PRICES FOR REPRESENTATIVE ANNUAL PUBLICATIONS (Cost per page in cents)

Year of Publication	1967	1968	1969	1970	1971	1972	1973	1974	1975	Increase (%) 67-72	Increase (%) 72-75
Yearbook of Agriculture	0.614	0.694	0.875	0.862	0.822	0.841	1.425	1.549	1.825	37%	117%
Statistical Abstract	0.377	0.454	0.547	0.552	0.533	0.528	0.928	0.973	0.981	40%	86%
United States Reports	0.488	0.748	0.701	0.738	0.519	0.725	0.745	1.207	1.273	49%	76%
CLOTH BOUND 6x9" AVG.	0.493	0.632	0.708	0.717	0.625	0.698	1.033	1.243	1.360	42%	24%
Documents On Disarmament	0.272	0.299	0.410	0.417	0.423	0.593	0.757	0.895	0.917	118%	55%
Economic Rpt. of President	0.393	0.393	0.446	0.521	0.484	0.487	0.758	0.838	0.893	24%	83%
Budget of U.S. Government	0.314	0.315	0.498	0.408	0.421	0.439	0.670	0.700	0.898	40%	105%
Council on Environmental Quality Annual Rpt.				0.497	0.521	0.420	0.805	0.818	0.750		79%
PAPERBACK 6x9" AVG.	0.326	0.336	0.451	0.461	0.462	0.485	0.748	0.813	0.865	61%	79%
HUD Statistical Yearbook			0.785	0.829	0.808	0.749	1.084	1.117	1.336		78%
Uniform Crime Reports	0.521	0.625	0.773	0.781	0.893	0.735	1.018	1.010	1.184	41%	61%
Manpower Rpt. of President	0.481	0.647	0.735	0.727	0.710	0.735	1.056	0.965	1.163	53%	58%
Budget of US Govt/Appendix	0.494	0.525	0.764	0.753	0.764	0.770	0.955	1.404	1.758	56%	128%
Treaties in Force	0.434	0.408	0.391	0.698	0.684	0.728	0.701	0.694	1.172	68%	53%
Stats of Income; Individual	0.862	0.977	1.026	0.996	0.868	1.276	1.667		1.747	48%	37%
U.S. Industrial Outlook	0.573	0.470	0.727	0.954	0.941	0.876	1.275	0.854	0.905	53%	3%
PAPERBACK 8x10½,9x11" AVG.	0.561	0.609	0.743	0.820	0.810	0.838	1.108	1.007	1.315	53%	60%
Conservation Yearbook	1.563	1.500	2.083	2.083	2.083	2.083	3.471	3.808	3.469	33%	67%
										47%	75%

CONSOLIDATED FINANCIAL STATEMENT OF GPO SALES PUBLICATIONS PROGRAM
(in thousands 000's)

	1962	1963	1964	1965	1966	1967	1968	1969
1. Sales	10,902	11,298	12,558	14,389	13,664	14,832	15,309	18,082
2. Other Income	84	159		191	1,195	1,435	1,645	1,906
3. Total Revenue	10,986	11,457		14,580	14,859	16,267	16,954	19,988
4. Cost of Pubs Sold	4,156	4,549		5,718	4,608	5,856	6,468	6,179
5. Postage.....	703	798		888	936	972	1,039	1,348
6. Unsalable Pubs	358	378		570	700	1,239	1,682	458
7. Admin. Expense					974	1,121	1,137	1,374
8. Total Expense	5,216	5,725		7,176	7,217	9,188	10,326	9,359
9. Net Operating Income ...	5,770	5,732	6,703	7,404	7,642	7,079	6,628	10,629
10. Expenditures from ..... Appropriated Funds	2,790	2,780	3,064	3,283	3,601	3,661	4,177	4,822
11. Salaries	2,029	1,999		2,428	2,618	2,709	3,140	3,536
12. Communications	44	51		66	74	74	75	87
13. Net Earnings	2,980	2,951		4,121	4,040	3,418	2,451	5,807
14. Profit on Sales	27%	26%		29%	30%	23%	16%	32%

CONSOLIDATED TABLES: SUMMARY OF WORKLOAD; APPROPRIATIONS AND MISCELLANEOUS RECEIPTS
(in thousands 000's)

15. Number of Pubs Sold ...	54,762	53,077	60,904	64,801	66,703	72,439	69,436	71,455
16. Appropriations, all ... SuDocs Programs	4,724	4,760	5,242	5,562	5,829	6,425	7,469	8,178
17. Miscellaneous Receipts . to Treasury	5,770	5,732	6,703	7,404	7,642	7,079	6,628	10,629

CONSOLIDATED FINANCIAL STATEMENT OF GPO SALES PUBLICATIONS PROGRAM
(in thousands 000's)

	1970	1971	1972	1973	Gen. Sales 1974	Special Sales 1974	Total Sales 1974
1. Sales	20,947	21,689	22,908	23,136	33,542	2,436	35,978
2. Other Income	394	491	*13,197	** 6,759	764	-----	764
3. Total Revenue	21,341	22,180	36,105	29,895	34,306	2,436	36,742
4. Cost of Pubs Sold	7,912	6,194	9,324	8,634	14,970	717	15,687
5. Postage	1,403	2,065	15,057	9,600	10,560	1,193	11,753
6. Unsalable Pubs	1,222	2,282	524	2,077	2,691	130	2,821
7. Admin. Expense	1,705	1,841	2,960	4,631	4,855	- -	4,855
8. Total Expense	12,242	12,383	27,865	24,942	33,076	2,040	35,116
9. Net Operating Income	9,098	9,708	8,240	4,953	1,230	396	1,626
10. Expenditures from Appropriated Funds	5,980	7,875	21,780	21,907	20,183	4,633	24,816
11. Salaries	4,544	5,943	6,479	8,949	10,540	2,474	13,014
12. Communications	95	107	*12,828	**9,640	5,936	709	6,645
13. Net Earnings	3,118	1,923	-13,540	-16,954	-18,951	-4,237	-23,188
14. Profit on Sales	15%	9%					

CONSOLIDATED TABLES: SUMMARY OF WORKLOAD; APPROPRIATIONS AND MISCELLANEOUS RECEIPTS
(in thousands 000's)

15. Number of Pubs Sold	74,967	78,000	78,000	78,000			83,268
16. Appropriations, all Sudocs Programs	10,045	12,236	14,830	20,762	36,871		36,871
17. Miscellaneous Receipts.. to Treasury	9,098	9,798	8,240	4,953	1,230	396	1,626

* Includes $12,702 for salaries and expense appropriation transfer
** Includes $6,214 for salaries and expense appropriation transfer